

**Annual Report to the  
Environmental Review Commission  
North Carolina General Assembly**

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**Bernard Allen Emergency Drinking Water Fund  
(July 1, 2010 to June 30, 2011)**

**October 1, 2011**



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## **Executive Summary**

The Bernard Allen Emergency Drinking Water Fund (Fund) was created in 2006 by the General Assembly to improve the state's response to groundwater contamination; the Fund targets assistance to low-income households that lack a safe drinking water supply because of environmental contamination. Monies into the Fund come from a percentage of the state scrap tire tax and interest. In order to be eligible for monies from the Fund, the owner's income must be below 300 percent of the federal poverty level, the contaminant concentrations must exceed the federal drinking water standards, and the owner cannot have caused or contributed to the contamination. DWM reviewed approximately 80 site files, most with multiple residences and wells, during this fiscal year. Legislation creating the Fund outlined three authorized uses: 1) to pay for notice to persons whose wells were at risk from groundwater contamination; 2) to pay the costs of testing private wells for contamination; and 3) to provide an alternate drinking water supply to well owners affected by the contamination. Prior to creation of the Fund, the state had no ability to assist with emergency temporary water supplies in many situations.

The Fund continues to help provide critical services for many citizens of North Carolina through paying for well testing, providing emergency bottled water and assisting in the payment of permanent water line connections or point-of-entry filter systems. In fiscal year (FY) 2010-11, the Fund's resources continued to be focused primarily on providing alternate water to affected citizens and investigating potentially contaminated wells across the state through sampling. There are 54 households that have received alternate water this fiscal year using the Fund.

## **FY 2010-11 Bernard Allen Memorial Emergency Drinking Water Fund Activities**

Before creation of the Bernard Allen Memorial Emergency Drinking Water Fund, the state often found itself in the difficult position of notifying a citizen that they had unsafe well water without being able to help them replace it with a safe drinking water source. The Fund provides the only state assistance with alternative water supply when the source of contamination is something other than a petroleum underground storage tank (UST) or a release of dry-cleaning solvents.<sup>1</sup> The Fund has been called on to help with both temporary and permanent alternative water sources for citizens whose wells have been contaminated by pesticides, solvents, and other hazardous substances.

In FY 2010-11, the Bernard Allen Memorial Emergency Drinking Water Fund has continued to be focused on three priorities identified in the legislation: 1) providing permanent alternate water sources to replace contaminated wells; 2) identifying sites that may be eligible for assistance with well testing or alternate water supplies; and 3) testing private wells that may be contaminated.

Although many of the services provided by the Fund go directly to the property owner (such as well testing, bottled water, filter systems, connection to a water line), the Fund also assists local governments working to provide a more permanent solution. Through the Fund, DENR has been able to partner with local governments and other organizations (such as the Rural Economic Development Center) to fund water line extensions in a number of these areas. In many cases, local government cannot fund these water line projects alone because of the distance involved in reaching the homes that need to be served.

The activities conducted in FY 2010-11 are summarized below.

### **Alternate Water Provided**

Over the last few years, a great deal of activity has been focused on residential areas in Richmond and Montgomery County with pesticide-contaminated drinking water wells. The residential subdivisions had been developed on lands that had previously been in agricultural production. As a result of agricultural practices that were accepted at the time, the groundwater had become contaminated by pesticides. The Fund has been providing bottled water to residents in the southeastern area of Richmond County while the county worked on a water line extension. The Fox Road Phase 1 water line extension in Richmond County has now been completed. Fourteen residences that had been dependent on bottled drinking water supplied by the Fund were connected to the new Richmond County Water system extension. One residence did not fall within the project limits for the water line and remains on bottled water until a future phase of the waterline extension can be constructed.

Montgomery County is also planning a water line extension to benefit six residences currently dependent on bottled water provided by the Fund. The Fund has also contributed toward the cost of the water line extensions; the Fund paid \$200,000 in a previous year and has committed to paying approximately \$60,000 for another section of waterline that is anticipated for next year.

The Fund connected two other residences to municipal water services in other areas of the state: one in Mecklenburg County and one in Montgomery County. Both residences had been provided bottled water until the completion of the water service connection. One well has been closed and

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<sup>1</sup> There are state-subsidized trust funds that provide funding for alternative water supply if the contamination source is a UST or dry-cleaning operation.

the other is planned for closure for FY 2011-12. The Fund also provided a point-of-entry filter system to another residence in Richmond County.

Currently, there are ten residences receiving bottled water through the Fund.

- Richmond County - 1 residence
- Moore County - 1 residence
- Montgomery County - 6 residences
- Wake County - 1 residence
- Stokes County - 1 residence
- The contaminants detected at the sites located in Richmond, Moore, and Montgomery counties were likely caused by area-wide pesticide treatments of orchards. The contaminants detected at the Wake and Stokes County sites are likely caused by the improper disposal of chlorinated solvents and/or degreasing gents. The source of the contamination could not be determined.

### **Site Review and Research**

The Fund program has been researching a catalog of sites with water wells known or suspected to have contamination. DWM has searched local government and other records to determine if any of the affected residences have already been connected to municipal water systems; to identify other wells in the area of concern; to identify potential sources of contamination; and to identify the owners of affected residences. When DWM identifies wells in an area affected by groundwater contamination, the program tests the wells. If testing confirms the presence of contamination above acceptable levels, DWM follows up with the property owner and the appropriate local government to develop a plan for an alternate water supply. Note that assistance from the Bernard Allen Fund can only be provided to property owners whose annual household income does not exceed 300 percent of the poverty level. DWM reviewed approximately 80 site files, most with multiple residences and wells, during this fiscal year. Review of each file includes the following:

- Review the file for historical information about previous sampling and work done on the site(s).
- Identify locations of the affected properties.
- Identify additional properties using drinking water wells within 500 ft. and 1000 ft. of potentially affected properties.
- Identify potential sources of contamination.
- Locate public water lines in the area and see if properties have been connected to the public water system.

### **Sampling of Private Wells**

At the beginning of the 2010-2011 fiscal year, DWM's Inactive Hazardous Sites Branch had a total of 138 sites with groundwater contamination affecting drinking water wells where DWM had been unable to identify the person responsible for the contamination.<sup>2</sup> Most sites involved multiple residences and drinking water wells. In addition, there are 76 sites with no known responsible

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<sup>2</sup> Generally, a person responsible for causing groundwater contamination is also legally responsible for providing an alternative water supply to anyone affected by the contamination. When the responsible person cannot be identified (or has no assets) the cost of finding another drinking water source falls on the well owner unless state assistance can be provided.

party where wells located less than 500 feet from potential sources of contamination need to be evaluated. These sites have one or more residential properties/wells associated with them.

During FY 2010-11, the Fund collected 102 drinking water well samples from 28 sites across the state. Locations of the sites are shown below:

<u>County</u>	<u># of Sites</u>	<u># of Wells</u>
• Alamance	1	1
• Chatham	1	6
• Durham	1	2
• Gaston	1	3
• Henderson	1	8
• Lee	1	4
• Lincoln	1	4
• Mecklenburg	7	16
• Montgomery	1	6
• Richmond	1	17
• Rockingham	2	3
• Rowan	2	8
• Stanly	2	7
• Surry	1	10
• Union	1	1
• Vance	2	2
• Wake	2	4

### **Summary of the Bernard Allen Memorial Drinking Water Fund**

In FY 2010-11, the Fund received the distribution of 2.5 percent of Scrap Tire Tax net proceeds based on SB202. The Fund also received revenue from interest. Expenditures from the Fund continue to be primarily to assist local government in providing waterline extensions to serve properties with contaminated wells; provide bottled water; sample drinking water wells for potential contamination; connect residences to existing municipal water systems; install point-of-entry filter systems; maintain existing point-of-entry filter systems; and properly abandon contaminated wells. A summary of the Fund expenditures can be found in the Bernard Allen Memorial Emergency Drinking Water Fund Accounting Summary found on the next page.

**Bernard Allen Memorial Emergency Drinking Water Fund**  
**Accounting Summary**  
**SFY 10 - 11**

**INCOME:**

<u>Description</u>	<u>Amount</u>
Scrap Tire Tax	\$ 390,434.46
Rebates	\$ 711.39
Interest	\$ 6,641.78
Total Income	\$ 397,787.63

**EXPENDITURES:**

<u>Description</u>	<u>Amount</u>
Legislative Withdraw	\$ 6,641.78
Lab Testing	\$ 20,410.00
Bottled Water	\$ 14,154.00
Water Service Connections	\$ 9,468.00
Well Abandonments	\$ 1,200.00
Sampling Equipment & Supplies	\$ 1,046.03
General Supplies	\$ 15.57
Fund Administration	\$ 7,177.10
Sampling (Prep, Research, Field Work)	\$ 61,675.32
Motor Fleet	\$ 2,897.07
Total Expenses	\$ 124,684.87

**Unexpended Balance of Current Year**      **\$ 273,102.76**  
**Receipts:**

**Total Balance Remaining in Fund**      **\$ 790,374.89**

## **Conclusions**

The Bernard Allen Emergency Drinking Water Fund continues to provide a valuable service to North Carolina citizens with contaminated drinking water wells and to local governments struggling to provide a permanent safe water supply to those citizens. Prior to the creation of the Fund, the state had no ability to help with emergency temporary water supplies in many situations. The Fund's ability to pay for drinking water well testing and notice to affected residents has been instrumental in helping the state respond to emergency situations throughout the state. The Fund's ability to provide bottled water to citizens as a temporary water supply has bridged the gap between identifying serious well contamination and development of a longer-term solution. Future demands on the Fund are anticipated to increase based on results from private well analysis. DENR will continue to evaluate the eligibility of projects that can be served by the Fund as demands change.